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TO RUEHC/SECSTATE WASHDC PRIORITY 1669
INFO RUEHAC/AMEMBASSY ASUNCION 0020
RUEHBO/AMEMBASSY BOGOTA 6578
RUEHBR/AMEMBASSY BRASILIA 0540
RUEHBU/AMEMBASSY BUENOS AIRES 7745
RUEHCV/AMEMBASSY CARACAS 4792
RUEHPE/AMEMBASSY LIMA 5130
RUEHQT/AMEMBASSY QUITO 0023
RUEHSG/AMEMBASSY SANTIAGO 0021
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RUEAIIA/CIA WASHINGTON DC
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SUBJECT: BOLIVIAN PRESS REVIEWS CLOSURE OF USAID PROGRAMS

REF: LA PAZ 1239 AND PREVIOUS

¶1. (SBU) Summary: Over the weekend of September 19-20, the Bolivian press featured extensive coverage of the recent closure of USAID democracy and public administration programs (reftels), highlighting the concerns of Bolivians affected by the cuts and prompting the GOB to articulate its interest in a "new form of cooperation" with the U.S. Bolivian news media featured a brief statement from the Embassy confirming the termination of some programs at the request of the Bolivian government and reiterating our commitment to the bilateral dialogue now underway. End summary.

¶2. (SBU) Apparently contacted by USAID partners and aid beneficiaries affected by the program closures, the Bolivian news media gave broad coverage to the story, in some cases providing detailed accounts of the programs under fire. The La Paz daily "La Prensa" reported at length September 20 on the concerns of municipal leaders about the impact of closing USAID's integrated justice centers in their cities. The GOB's action proved popular with cocalero groups, however, who called for a further termination of all USAID programs in the country.

¶3. (SBU) Bolivian government officials, including Planning Minister Noel Aguirre (who in July and August conveyed the original GOB demands for program closures) and Deputy Foreign Minister Hugo Fernandez, confirmed that the Bolivian government had requested the aid program terminations, but sought to reassure the public that only "political" programs would be affected. Aguirre explained that the GOB is seeking a "redirection" of U.S. assistance priorities toward social and economic needs, while Fernandez spoke of a "new form of cooperation" to replace the existing aid relationship with the United States. Both referred to the ongoing bilateral talks, with Fernandez noting that U.S. officials (Special Envoy Maria Echeveste and WHA DAS Chris McMullen) had met recently with Foreign Minister Choquehuanca to further that process.

¶4. (U) Bolivian news media carried the Embassy's brief statement on the matter, which confirmed that we have taken action in response to GOB requests and reaffirmed our commitment to the bilateral dialogue on these and broader issues.

¶5. (SBU) Comment: The news coverage of the USAID program closures has been generally helpful so far, making clear that

the terminations have come at the request of the Bolivian government, highlighting the value of the U.S. programs and revealing a measure of GOB defensiveness in light of public concerns about these and further aid cuts. Significantly, senior GOB officials are now talking up the bilateral process, just days after the September 15 de-certification announcement, signaling that at least some in the Bolivian government continue to back the effort.

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